

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



MAY 15 2013

Prudencio A. Laureano-Díaz  
Medicaid Program  
PR Department of Health  
PO Box 70184  
San Juan, PR 00936-8184

RE: TN 12-001

Dear Mr. Laureano- Díaz:

We have reviewed the proposed amendment to attachment 4.19-A and 4.19-B of your Medicaid State Plan submitted under transmittal number (TN 12-001). Effective May 2, 2013, this amendment denies additional Medicaid payments for cost incurred for potentially preventable conditions in the inpatient hospital setting and in non-institutional settings.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. This is to inform you that Puerto Rico 12-001 is approved effective May 2, 2013. Enclosed please find the HCFA-179 and the approved plan pages.

If you have any questions, please contact Tom Brady at 518-396-3810 or Rob Weaver at 410-786-5914.

Sincerely,

A handwritten signature in black ink that reads 'Cindy Mann'. The signature is written in a cursive, flowing style.

Cindy Mann  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTER FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 2 0 0 1

2. STATE

Puerto Rico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

May 2, 2013

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☐ AMENDMENT TO CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION

7. FEDERAL BUDGET IMPACT

a. FFY 2013 \$ 0

b. FFY 2014 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHEMENT

4.19 A page 4 and 4.19 B page 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)

New

10. SUBJECT OF AMENDMENT

**Provider Preventable Conditions**

11. GOVERNOR'S REVIEW (Check One)

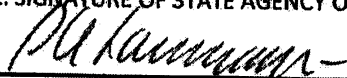
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☒ OTHER, AS SPECIFIED

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL



13. TYPE NAME

PRUDENCIO A. LAUREANO-DIAZ

14. TITLE

EXECUTIVE DIRECTOR

15. DATE SUBMITTED

MARCH 8, 2013

16. RETURN TO

PUERTO RICO MEDICAID PROGRAM  
PUERTO RICO DEPARTMENT OF HEALTH  
PO BOX 70184  
SAN JUAN PR 00936-8184

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

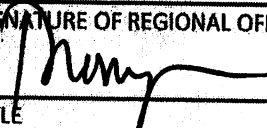
18. DATE APPROVED

MAY 15 2013

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL



21. TYPED NAME

21. TITLE

23. REMARKS

PUERTO RICO STATE PLAN

OMB No: 0938-1136  
CMS Form: CMS-10364

Attachment 4.19 A  
Page 4

Citation

42 CFR 447, 434, 438, AND 1902 (a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payments under Section 4.19 A of this State Plan.

- X Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement surgery or hip replacement surgery in pediatric and obstetric patients.

Other Provider Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section(s) 4.19 A of this state Plan.

- X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

Additional Other Provider-Preventable Conditions identified below

Effective May 2, 2013, reimbursement for inpatient hospital services shall be based on the Provider Preventable Conditions (PPC) policy defined in 42 CFR 447.26.

Provider Preventable Conditions are defined as two distinct categories: Health Care Acquired Conditions (HCAC) and Other Provider Preventable Conditions (OPPC).

In Puerto Rico, managed care entities and third party administrators' contract with provider and pay provider; there is no fee for service program. The managed care entities and third party administrators shall exclude payment for diagnoses not present on admission for any HCAC. The managed care entities are third party administrators shall report to Puerto Rico on the occurrence of HCACs, OPPCs and the corresponding reductions in payment on a [monthly] basis.

No payment shall be made for inpatient services for OPPCs. OPPCs include the three Medicare National Coverage Determinations: wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure on the wrong patient.

No reduction in payment for a provider preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by the provider.

Reductions in provider payment may be limited to the extent that the following apply:

- i. The identified PPC(s) would otherwise result in an increase in payment.
- ii. The Territory can reasonably isolate for non-payment the portion of the payment directly related to treatment for, and related to, PPC(s)

Non-payment of PPCs shall not prevent access to services for Medicaid beneficiaries.

TN No: 12-001

Supersedes TN No: NEW

Approval Date: MAY 15 2013

Effective Date: May 2, 2013

PUERTO RICO STATE PLAN

OMB No: 0938-1136  
CMS Form: CMS-10364

Attachment 4.19 B  
Page 4

Citation

42 CFR 447, 434, 438, AND 1902 (a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Other Provider Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section(s) 4.19 B of this State Plan.

☒ Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

☐ Additional Other Provider-Preventable Conditions identified below

Effective May 2, 2013 reimbursement for non-institutional services shall be based on the Provider Preventable Conditions (PPC) policy defined in 42 CFR 447.26.

In Puerto Rico, managed care entities and third party administrators' contract with provider and pay provider; there is no fee for service program. The managed care entities and third party administrators shall exclude payment for diagnoses not present on admission for any HCAC. The managed care entities and third party administrators shall report to Puerto Rico on the occurrence of HCACs, OPPCs and the corresponding reductions in payment on a [monthly] basis.

No payment shall be made for services for OPPCs. OPPC in one category of PPC as identified by the Centers for Medicare & Medicaid Services and apply broadly to any health care setting where an OPPC may occur. OPPCs include the three Medicare National Coverage Determinations: wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

No reduction in payment for a provider preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by the provider.

Reductions in provider payment may be limited to the extent that the following apply:

- i. The identified PPC(s) would otherwise result in an increase in payment.
- ii. The Territory can reasonably isolate for non-payment the portion of the payment directly related to treatment for, and related to, the PPC(s)

Non-payment of PPCs shall not prevent access to services for Medicaid beneficiaries.

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